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SUBJECT: DISPUTE OVER MINING IN NATIONAL PARKS HEATS UP

¶1. (SBU) SUMMARY: A long-running internal GOC dispute over mining within/around Colombia's national parks and forest reserves boiled over into public after the Ministry of Environment (MOE) alleged February 22 that industrial mining occurs in or near 15 parks, threatening critical biodiversity. The Ministry of Mines and Energy's Institute for Geology and Mining (Ingeominas) insists it issues licenses consistent with Colombia's Mining Code and that the MOE overstates the environmental effects of mining while ignoring the activity's vital role in Colombia's economic development. Many local experts hope the upcoming GOC decision on a major AngloGold Ashanti gold mining concession, which is located in a forest reserve, provides clarity on how the GOC will reconcile this debate between mining and environment. However, until vague park boundaries and licensing language that have fueled confusion among investors and environmental officials are resolved, a long-term solution appears unlikely. END SUMMARY.

Mining Code: No Operations Within Parks, But Outskirts Okay

¶2. (SBU) Colombia's 2001 mining code declared mining within national parks illegal, while permitting mining on the outskirts of parks, and mining within forest reserves illegal without MOE authorization. According to Mario Ballesteros, the director of Colombia's mine licensing agency, over the last few decades Ingeominas and authorized regional authorities have issued 35 licenses near parks or forest reserves. He reiterated to us that such permits are legal and that he is frustrated with "completely false" media reports suggesting that mining occurs inside parks. However, according to the Director of Technical Operations of National Parks Emilio Rodriguez, 3 mining licenses (two in Antioquia and one in Boyaca) authorize operations within parks and 12 directly on park borders. He noted, though, that Ingeominas issued most of those licenses several years ago, and in error due to confusion over park limits. He said much of the debate is based upon lack of clarity on park limits, and that he does not think Ingeominas purposely violated the mining code.

Legislation To Protect Other Environmental Areas?

¶3. (U) Maria Isabel Vieira, a biodiversity researcher from the GOC's Humboldt Institute, characterized mining as one of the most destructive activities to Colombia's parks and forest reserves, but also to strategically important environmental areas such as wetlands. She said such strategic areas should be protected by legislation, highlighting that water and soil contamination caused by mining threatens 50 percent of Colombia's wetlands. The Minister of Environment Juan Lozano, publicly stated that environmentally strategic areas should have the same legal

protections afforded to parks and forest reserves. Ballesteros responded to us, however, that the MOE overstates the environmental effects of mining and fails to acknowledge that the activity annually contributes USD 6 billion to Colombia's GDP, providing essential resources for economic development.

AngloGold Dispute As Litmus Test

¶4. (SBU) Local experts, such as the World Wildlife Foundation's (WWF) Environmental Policy Officer Juan Espinosa, highlight a pending AngloGold Ashanti license case as a litmus test for broader GOC efforts to reconcile mining and environment priorities. In February 2008, the MOE suspended AngloGold's La Colosa project, as it did not have MOE authorization to operate in a forest reserve, as the mining code requires. (NOTE: La Colosa is located in a Tolima department forest reserve and experts believe that it may contain as much as 12.8 million ounces of gold. AngloGold, the world's third-largest gold miner, plans to spend USD 2.5 billion on the La Colosa mine in the next 2-3 years. END NOTE.) AngloGold representatives publicly claim that legislation from the MOE is not consistent, stating that they were not required to have MOE authorization when the company first began to explore. Rodriguez said AngloGold knew all along that it needed MOE authorization. He said the question now is whether political support behind the operation and the expected economic benefit will cause the GOC to overlook the legal inconsistencies. (NOTE: President Uribe announced the finding of the reserve in 2008 and has publicly supported AngloGold's operation. END NOTE.)

COMMENT: Knowing the Boundaries

¶5. (U) With improving security opening greater swathes of Colombia's richly biodiverse territory to exploration, the local debate between economic progress and environmental protection is growing and will intensify. The MOE's ultimate aim of prohibiting mining near any area that it deems of strategic environmental importance is unrealistic given how much of the country could theoretically fall into that category. Tough economic times also place strain on those who value biodiversity protection over economic development. It is now incumbent on the GOC to clearly delineate park and forest reserve boundaries, as well as clarify the bureaucratic conflicts in its mining licensing process.

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